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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/661,463	09/13/2000	Christopher William Preist	309990066	7563
7590	01/14/2004			EXAMINER
John W Ryan c/o Wilmer Cutler & Pickering 2445 M Street NW Washington, DC 20037-1420			MCCLELLAN, JAMES S	
			ART UNIT	PAPER NUMBER
			3627	

DATE MAILED: 01/14/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	Application No.	Applicant(s), <i>SN</i>
	09/661,463	PRIEST
	Examiner	Art Unit
	James S McClellan	3627

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 03 November 2003.

2a) This action is FINAL.      2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 11-39 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 11-37 is/are rejected.

7) Claim(s) 38 and 39 is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. §§ 119 and 120

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All b) Some \* c) None of:

1. Certified copies of the priority documents have been received.

2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.

3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

13) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

a) The translation of the foreign language provisional application has been received.

14) Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

#### Attachment(s)

1) Notice of References Cited (PTO-892)      4) Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.

2) Notice of Draftsperson's Patent Drawing Review (PTO-948)      5) Notice of Informal Patent Application (PTO-152)

3) Information Disclosure Statement(s) (PTO-1449) Paper No(s) \_\_\_\_\_      6) Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Amendment***

1. Applicant's submittal of an amendment was entered on November 3, 2003, wherein:
  - claims 11-39 are pending;
  - claims 1-10 have been canceled; and
  - claims 11-39 have been added.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 28-30, and 32-35 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences) and therefore are found to be non-statutory subject matter. For a process, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the method (claim 28) fails to incorporate technology into the body of the claim. The method of claim 28 can be carried out manually without the aid of technology. In order to overcome this rejection, the Examiner recommends adding a limitation that requires the method to be conducted over a network or via a computer. The Examiner notes that claim 31 requires the use of technology (searching a network) and therefore meets the statutory requirements of 35 U.S.C. § 101.

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 11-14, 16-20, 23-26, 28-33, and 35-37 are rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,826,244 (Huberman) in view of Applicant's admitted prior art beginning on page 2, line 21 and ending on page 3, line 15 (hereinafter reference by the term "*Bidding Elf*").

Regarding **claim 11**, Huberman discloses a system for trading goods or services, the system comprising: a trading entity connected to a network; and a plurality of auction entities connected to the network, each auction entity in communication with the trading entity; wherein the trading entity is operative to: select a number of auction entities that include similar goods or services for trading; monitor the active bids for the similar goods or services on each of the selected auction entities; compare the active bids; and provide a possible bid to outbid one of

the active bids based on the comparison of the active bids (see column 17, lines 1-5); **[claim 12]** means for entering at least one user input into the trading entity; **[claim 13]** the means for entering at least one user input further comprises means for receiving a user selection to select said number of auction entities; and **[claim 14]** means for entering at least one user input further comprises: means for receiving a list of goods or services on which to place bids; and means for receiving the quantity of goods or services on which to place bids.

Regarding **claim 16**, Huberman discloses a computer program operating in a trading device, the computer program comprising: logic for selecting a plurality of auction entities that include similar goods or services for trading; logic for monitoring trading data from each of the plurality of auction entities, the trading data related to said similar goods or services; logic for processing the trading data to determine a possible bid for outbidding a leading bid on one of the auction entities; and logic for communicating said possible bid to the respective auction entity (see column 17, lines 1-5); **[claim 17]** the logic for processing further comprises: logic for determining the leading bids and minimal bid increments for the good or service on each of the plurality of auction entities; **[claim 18]** the logic for communicating further comprises: logic for determining from the trading data whether the leading bid on each of the auction entities has been placed by the trading device or by one or more third parties; and logic for submitting the possible bid to the respective auction entity when the leading bid on each of the auction entities has been placed by the one or more third parties; **[claim 19]** logic for receiving user input regarding a maximum price limit Pmax establishing a price above which the trading device will not bid; **[claim 20]** the logic for processing determines whether the possible bid exceeds Pmax and instructs the trading device not to place a bid when the possible bid exceeds Pmax; **[claim**

**23]** the logic for selecting selects a plurality of auction entities that include a set of said similar goods or services for trading; and the logic for processing determines a set of possible bids for outbidding a set of leading bids on the auction entities; **[claim 24]** logic for receiving from a user a maximum price limit per good or service to establish a price above which the trading device will not bid for the set of said similar goods or services; **[claim 25]** the similar goods or services for trading comprises at least one lot of similarly manufactured units; and **[claim 26]** logic for determining auction terminating times of the respective auction entities.

Regarding **claim 28**, Huberman discloses a computerized method comprising: selecting multiple auction entities via a network, each auction entity including an item open for bid similar to an item open for bid on the other auction entities; monitoring the bid for the item on each auction entity; determining a possible bid to outbid one of the bids on a respective auction entity; and placing said possible bid with the respective auction entity; **[claim 29]** monitoring the bid further comprises determining whether one of the bids corresponds to a bid placed by said placing said possible bid (see column 17, lines 1-5; **[claim 30]** selecting multiple auction entities further comprises receiving a user request to select the auction entities; **[claim 31]** selecting multiple auction entities further comprises searching a network for the auction entities; **[claim 32]** enabling a user to select an auction in which to participate; **[claim 33]** determining a possible bid further comprises: comparing outbid values for each auction entity, each outbid value being sufficient to outbid the highest bid on the respective auction entity and being based on the highest bid and a minimum bid increment for each auction entity, and selecting the lowest outbid value; and **[claim 35]** ensuring that a user has a leading bid in one of the auction entities.

Regarding **claim 36**, Huberman discloses A trading entity in a trading system, the trading entity comprising: a first module configured to select a plurality of auction entities, each auction entity providing a good or service up for bid that is similar to a good or service up for bid on the other auction entities; a second module configured to monitor an active bid for the similar good or service on each auction entity; and a third module configured to process the active bids to calculate a possible bid for outbidding one of the highest active bids (see column 17, lines 1-5; and **[claim 37]** the third module is further configured to calculate said possible bid based on the active bid and a minimum bid increment for the good or service on each auction entity.

Huberman fails to explicitly disclose utilizing the intelligent agent (see column 17, lines 1-5) to find the “best deal” or lowest price, but merely a good deal. While the Examiner believes that one of ordinary skill in the art would recognize that Huberman’s intelligent agent would be inherently programmed to get the best deal, the Examiner relies upon Applicant’s admitted prior art (page 2, line 21-page 3, line 15) that discusses the incremental bidding feature of a *Bidding Elf*. The *Bidding Elf*, as Applicant admits is prior art, teaches bidding in an incremental manner that allows the user to get the lowest winning price up to a preset maximum bid.

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Huberman with the *Bidding Elf* features as described by Applicant as admitted prior art, because a bidding elf in combination with Huberman’s intelligent agent would find the best deal available from the auctions specified.

6. Claims 15, 21, and 22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Huberman in view of *Bidding Elf* as applied to claims 1 and 16 above, and further in view of U.S. Patent No. 6,549,904 (Ortega et al.).

Huberman in combination with *Bidding Elf* shows all the claimed elements as set forth above except for the use of user notification when certain preset conditions are identified.

Ortega et al. teaches the use of an auction notification system (see column 3, lines 59-67).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Huberman with an auction notification system as taught by Ortega et al. , because a notification system allows a user to participate in desirable auctions that the user may not otherwise know exist.

7. Claim 27 is rejected under 35 U.S.C. 103(a) as being unpatentable over Huberman in view of *Bidding Elf* as applied to claim 16 above, and further in view of U.S. Patent No. 5,966,699 (Zandi).

Huberman in combination with *Bidding Elf* shows all the claimed elements as set forth above except for the use of bidding outcome estimator.

Zandi teaches the use of estimating the bidding outcome of an auction (see column 10, line 60).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Huberman with an auction outcome estimator as taught by Zandi, because an auction outcome estimator is useful information for creditors to know when the user is relying on credit to make an auction purchase.

#### *Allowable Subject Matter*

8. Claim 34 is currently rejected under 35 U.S.C. § 101 and is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form

including all of the limitations of the base claim and any intervening claims. Claim 34 would only be allowable if the 35 U.S.C. § 101 rejection is overcome.

9. Claims 38 and 39 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

***Response to Arguments***

10. Applicant's arguments filed November 3, 2003 have been fully considered but they are not persuasive.

All arguments are moot because new rejections were necessitated by Applicant's amendment.

***Conclusion***

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

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however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

12 Gershman et al., Bigus et al. and Peckover are cited as relevant prior art but not used in the rejections.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jim McClellan whose telephone number is (703) 305-0212. The examiner can normally be reached on Monday-Friday from 9:30 to 6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert Olszewski, can be reached at (703) 308-5183.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

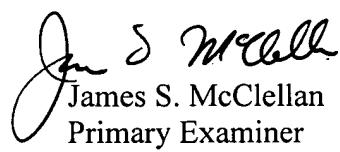
Any response to this action should be mailed to:

Commissioner of Patent and Trademarks  
Washington D.C. 20231

or faxed to:

(703) 872-9306 (Official communications) or  
(703) 746-3516 (Informal/Draft communications).

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7<sup>th</sup> floor receptionist.

  
James S. McClellan  
Primary Examiner  
A.U. 3627

jsm  
January 8, 2004